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Summary record of the 23rd meeting
Held at Headquarters, New York, on Tuesday, 2 November 1999, at 3 p.m.

Chairman: Mr. Sial (Vice-Chairman) ..... (Pakistan)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 121: Proposed programme budget for the biennium 2000-2001 (*continued*)

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The meeting was called to order at 3.05 p.m.

Agenda item 121: Proposed programme budget for the biennium 2000-2001 (*continued*) (A/52/7/Add.2; A/53/7/Add.15, A/53/641, A/53/643, A/53/794, A/53/833 and A/53/955; A/54/6/Rev.1 (Vol. I, II and III), A/54/7, A/54/16, A/54/127, A/54/206, A/54/434 and A/54/443; A/C.5/51/57; A/C.5/54/14, A/C.5/54/15, A/C.5/54/16, A/C.5/54/17, A/C.5/54/18, A/C.5/54/19, A/C.5/54/20, A/C.5/54/21, A/C.5/54/22, A/C.5/54/23, A/C.5/54/25, A/C.5/54/26 and A/C.5/54/27)

1. **Mr. Osewa** (Nigeria) said that he endorsed the statements made by the representative of Guyana on behalf of the Group of 77 and China. His delegation supported all measures that would enhance the Organization's efficiency, particularly the reform measures introduced by the Secretary-General. The guiding principles for the implementation of the proposed programme budget should be budget discipline, prudence, accountability, cost-effectiveness and improved efficiency. However, reform measures must not run counter to the overall objectives of the United Nations as enshrined in the Charter. Budget discipline did not necessarily mean budget reduction; Nigeria therefore urged Member States to meet their obligations by paying their assessed contributions in full, on time and without conditions to make the United Nations a strong and viable Organization.

2. Nigeria welcomed the provision made for special political missions in the proposed budget. That was particularly important for Africa owing to the challenges faced by that continent. He hoped that that innovation would have tangible positive results, including the funding of more peacekeeping missions, peacemaking efforts and confidence-building measures that would lead to stability and development. The funding of those activities of primary importance must no longer rely on extrabudgetary resources and voluntary contributions. As a troop-contributing country, Nigeria felt that the programme budget for the coming biennium should give priority to the speedy processing of claims for reimbursement for contributions of troops and equipment.

3. Nigeria was pleased to note that Africa had been given higher priority in the proposed budget. The prompt implementation of the measures proposed would place the United Nations in an advantageous position to reinvigorate development activities in Africa.

4. The use of contractors and consultants, where necessary, must reflect the geographical diversity of the United Nations and should be consistent with section VIII of General Assembly resolution 53/221. The Secretariat should put a system of accountability in place before it delegated authority. Moreover, the necessary internal monitoring and control mechanisms should be in place and appropriate staff training should be available. Transparency in the award of contracts and in contracted services should continue to be enhanced; goods and services should be procured at the best price and in accordance with existing United Nations rules and procedures. In that connection, the work done thus far by the Office of Internal Oversight Services was commendable.

5. Nigeria supported all the provisions of General Assembly resolution 41/213 and its annexes, which must be respected by all in the negotiations to be launched in the Fifth Committee. It also supported all actions taken in conformity with the Charter of the United Nations to make efficient use of the scarce human and material resources of the Organization. Nigeria was convinced of the efficacy of those principles, and urged all Member States to respect their commitment to the Organization.

6. **Mr. Ivashchenko** (Ukraine) said that he welcomed the improved format of the proposed programme budget, which could be further improved along the lines suggested by the Advisory Committee on Administrative and Budgetary Questions in its report, and that he was pleased to note that the proposed budget reflected the priority areas listed in General Assembly resolution 53/206.

7. The level of resources being proposed for the biennium 2000-2001 represented a slight increase over the revised appropriation for the current biennium, mainly as a result of the 61 new posts being requested, and was somewhat lower than the proposed programme budget outline figure approved by the General Assembly in its resolution 53/206. Ukraine supported the proposed budget level on the understanding that it was sufficient to ensure the comprehensive, effective and efficient implementation of mandated activities.

8. In the foreword to the proposed budget, the Secretary-General explained that the proposal built on the gains in productivity and effectiveness made in 1998-1999 through the implementation of the 1997 structural reforms in the Secretariat. Ukraine had supported and continued to support the Secretary-General's reform initiatives and efforts to improve the efficiency and cost-effectiveness of the Organization's activities, since that would release additional funds for programme implementation.

9. Ukraine welcomed the inclusion in the proposed budget, in accordance with General Assembly resolution 53/206, of a provision for special political missions whose

mandates were expected to be extended or approved in the coming biennium, since that would make the funding of such missions more predictable.

10. He asked for more information on the impact of the redeployment of 548 posts on the work of the relevant departments of the Secretariat.

11. Ukraine appreciated the inclusion in the proposed budget of statements of expected accomplishments of the implementation of programme activities, with a view to establishing clearer links between inputs and the achievement of programme objectives. However, it regretted that such statements had not been provided in all budget sections and that some of them were too broad or vague to serve as a basis for qualitative analysis.

12. After two years of intense and complex negotiations, the General Assembly had just adopted a resolution on modalities for operating the Development Account which reflected the broadest possible consensus on the issue and laid the foundation for putting that element of the Secretary-General's reform programme into practice. However, the Secretariat should formulate specific proposals under section 33 of the proposed budget and should submit them for consideration by the General Assembly without further delay. In addition, the proposed budget should have included information on the efficiency measures to be taken under various budget sections to form the basis for the Development Account.

13. Ukraine broadly supported the recommendations and comments made in the ACABQ report and the special attention it gave to personnel management at the United Nations. If a 5-per-cent vacancy rate in the Professional category and above and a 2.5-per-cent vacancy rate for General Service staff was to be achieved, the Organization's recruitment procedures had to be improved and certain inefficient personnel management practices that still persisted had to be rectified. As the Advisory Committee rightly pointed out, the low proportion of junior-level posts narrowed the opportunities for rejuvenation of the Organization. In that regard, the provisions of section IX of General Assembly resolution 53/221 on human resources management had to be properly applied.

14. One of the important elements in the budget proposals was the introduction and utilization of modern information technologies to upgrade the United Nations operational capacities and promote a more effective and efficient use of resources. An integrated, realistic and results-oriented strategy on information technology in the United Nations system had to be developed. That would facilitate coordination and solve the technical problems that arose in the interaction between the various duty stations, by standardizing the software and hardware used throughout the United Nations system. Ukraine was concerned over the significant reductions in the resources allocated for information technology under some sections of the proposed programme budget, in particular the sections dealing with political affairs, peacekeeping operations and economic development in Europe, and it would like to receive an explanation from the Secretariat of the impact of the reductions on the technological capacities of the departments concerned.

15. In its resolution 53/205, the General Assembly had requested the Secretary-General to submit to it, through the Advisory Committee, the prototype fascicles of the five sections of the proposed programme budget for the biennium 2000-2001, using the results-based budgeting format. His delegation considered it important to emphasize the quality of the budgetary process in order to strengthen and streamline the existing procedures for programme planning, budgeting, monitoring and evaluation, thereby establishing a strict cause-and-effect linkage between the objectives set by the intergovernmental bodies and the inputs for the implementation of the corresponding programme activities. The Secretary-General's proposals on results-based budgeting constituted a sound basis from which to move towards a qualitative approach in the budgetary process and as such they deserved thorough consideration by the General Assembly. Ukraine regretted the delay in submission of the prototype fascicles to ACABQ, but looked forward to its report on the matter.

16. His delegation was deeply concerned by the Advisory Committee's comments in paragraphs 66 and 67 of its report, indicating that, despite repeated reaffirmations by the Fifth Committee of its role as the Main Committee of the General Assembly entrusted with responsibilities for administrative and budgetary matters, it was becoming the practice of some intergovernmental bodies to attempt to determine the method of financing the mandates to be approved in the context of substantive resolutions. In that regard, his delegation stressed once again the need for full implementation of the General Assembly resolutions governing the budgetary process, the basic one being resolution 41/213.

17. **Mr. Hunte** (Saint Lucia), speaking on behalf of the member countries of the Caribbean Community (CARICOM), expressed support for the statement by the representative of Guyana on behalf of the Group of 77 and China. The proposed programme budget for the biennium 2000-2001 was very significant, given the twentieth-century legacy of human suffering resulting from poverty, war, the threat of war and other forms of social strife, and the fact

that the United Nations remained the only organization empowered to establish norms, rules and principles to benefit all its Member States.

18. The Organization was faced with the need to implement fully all mandated programmes and activities assigned to it by Member States, a task for which they themselves did not make available sufficient resources. It was time to reverse that situation and provide the United Nations with the requisite resources in full, on time and without conditions.

19. The CARICOM countries regretted that the level of the proposed programme budget was below that of the budget outline adopted in General Assembly resolution 53/206. The budget outline reflected a delicate balance among all Member States and should be respected. The figure of $2,545 million should be restored as the basis for the calculation of the budget before recosting. The current provisions for the treatment of exchange rates and inflation should also be maintained, in accordance with resolution 53/206. It was unfortunate that the proposed programme budget did not accurately reflect the priorities approved by the General Assembly in resolution 52/219; in particular, more resources should be allocated to the sections relating to economic and social development.

20. The proposed programme budget should be a joint endeavour, based on genuine solidarity and shared responsibility. The developing countries would continue to have the primary responsibility for their own development, while each development partner would need to provide support commensurate with its weight in the world economy. CARICOM undertook to work with all partners to promote the formulation of effective measures in support of development in all areas, and to press for their effective implementation. Bringing peace to conflict-ridden developing countries and promoting post-conflict rehabilitation and reconstruction should be a major priority of the international community.

21. Sufficient resources must be allocated to key programmes such as those geared to facilitating the integration and fuller participation of the least developed countries and island developing countries in the global economy and the international trading system. Trade and development opportunities made available to developing countries would enable them to survive in a complex global environment. The proposed programme budget for the biennium 2000-2001 must accordingly reflect the importance of those programmes and activities.

22. **Mr. Innocent** (Haiti) endorsed the statement made by the representative of Guyana on behalf of the Group of 77 and China. Even though his delegation understood that draconian measures had to be applied to make the activities of the United Nations more effective and efficient, it did not approve of some budgetary reductions whose result might be to stifle the very life of the Organization.

23. Mindful that the Caribbean region was often struck by cyclones, a serious disturbance to regional economic stability, Haiti was compelled to speak out for a better distribution of budgetary funds that would allocate the necessary resources to subprogramme 11 of section 19 of the proposed programme budget, relating to the financing of subregional activities in the Caribbean. As noted in paragraph 19.135 of the proposed programme budget, by 2000 the countries of the Caribbean expected to have completed their economic stabilization and adjustment processes and to have consolidated the first generation of institutional reforms. The globalization process would have posed major challenges for the Caribbean economies, especially in terms of the formation of closer commercial and financial ties with new markets, regions and trading blocks and, within a broader context, in relation to the search for new modalities of international cooperation. It was also expected that the Caribbean countries would continue to be highly vulnerable to the impact of economic and political events at the international and regional levels, which would influence various aspects of their social development, including employment, the status of women, health and education. It was obvious that the problems had only just begun. The United Nations must provide adequate help to the Caribbean countries to bring them out of their difficulties.

24. Although it regretted the budgetary crisis the Organization was experiencing because of the failure of some to meet their financial obligations, Haiti was confident that a climate of change would eventually prevail, enabling the United Nations to fulfil its function fully.

25. **Mr. Valfre** (Peru) said that it was over half a century since 51 States, including his own country, had decided to establish the United Nations in accordance with the principles of the sovereign equality of States, international good faith and the undertaking to cooperate with all measures adopted by the Organization under its Charter. At that time, the Member States had expressed their solidarity by committing themselves to contribute, in accordance with their actual capacity to pay, to the support of the Organization. It was paradoxical that, having reached maturity, the United Nations should find itself in a financial crisis. Following several years of budget cuts, less attention was being paid to new initiatives, some programmes had been curtailed and staff had been reduced. In that situation,

his country insisted that the Organization must be capable of financing the implementation of all the mandates approved by the Member States, without having to depend on extrabudgetary resources.

26. His country considered that the debate on the budget should be conducted in the spirit that had inspired the Organization's founders. To imagine a scaled-down version of the United Nations was as unacceptable as to believe that a world order based on the forces of the global market and those of political, economic or military hegemony, of whatever stamp, could be a response to the numerous challenges facing the international community. Not only had there been an expansion of the humanitarian and peacekeeping obligations of the United Nations, and an increase in the number and complexity of the issues with which it was concerned, but the membership of the Organization had also risen. The reduction in the budget in recent years had to be seen as a note of warning. His country agreed with other delegations that moderate budgetary growth was the means whereby the valuable achievements of the Organization should be further consolidated. Even in the short term, the Advisory Committee had drawn attention in its report to specific additional resource requirements in certain sections of the proposed programme budget.

27. If the current difficult financial situation of the Organization were to continue, the political consequences would affect all the Member States. The perception on the part of some States that their assessments should be adjusted should not serve as an excuse for failing to make their payments on time, in full and without conditions.

28. As the Chairman of the Group of 77 had stated, the financial resources of the Organization's budget must be commensurate with the mandates received and the scheduled activities, and the budget should be implemented within the framework of existing budgetary standards. His country welcomed the fact that an appropriation of US$ 86.2 million was envisaged for special political missions. It also considered that the recent adoption of the resolution on the development account was a positive step, but continued to be concerned at the high vacancy rate within the Organization.

29. **Mr. Halbwachs** (Controller), replying to the concerns expressed by several delegations during the general debate, began by reaffirming the assurances given by the Secretary-General with respect to the level of the budget total, saying that, in preparing the budget, particular account had been taken of the priorities indicated by the General Assembly and of the need to ensure the full, efficient and effective implementation of the mandates set by the Member States. The Secretary-General had also informed the Committee that the budget of the Organization had not grown over the past five years and that, if further reductions were made, the capacity of the United Nations to fulfil its mandates would be seriously impaired. That had to be borne in mind in considering the budget section by section.

30. Referring to the difference between the figure for the budget outline and that for the proposed programme budget, he said that the latter figure had been established in accordance with the letter and spirit of the established budgetary process set forth in resolution 41/213. That resolution had introduced the concept of the outline budget which enabled a figure to be given which should not be considered either as a minimum or as a fixed level but as a preliminary indicative estimate to be taken as a guide. Indeed, in the six bienniums that had followed that procedure, the budgetary amount had been higher than that of the outline on two occasions and lower on four, and by a margin which had never been significant in percentage terms. The budget was prepared on the basis of proposals submitted by programme directors and considered jointly with them, bearing in mind the priorities set by the General Assembly, the special circumstances of the biennium in question and factors such as expenses incurred in earlier bienniums, the observations of legislative and monitoring bodies and aspects that, in the view of the Secretary-General, should be given prominence.

31. With respect to the complex issue of priorities, everything possible had been done to incorporate in the proposed programme budget the priorities established in resolution 53/206. As was clear from the table in paragraph 4 of the introduction to the proposed programme budget, a real increase substantially higher than the average was proposed in priority areas, together with an increase in the number of posts. Increases were also being proposed in non-priority areas such as the Office of Internal Oversight Services, the construction and maintenance of United Nations premises in various parts of the world and the strengthening of the United Nations Office at Nairobi.

32. With respect to the function of the Economic and Social Council in relation to the budget, he recalled that the Committee on Programme and Coordination (CPC) was a subsidiary body which submitted reports both to the General Assembly and to the Economic and Social Council; the Council had considered not the budget as such, a function that was outside its terms of reference, but the report submitted by CPC on its work which included a large number of elements relating to the budget. The Council had taken note of the report in a resolution.

33. Referring to vacancy rates, he explained that as there was a continuous movement by staff, not all the approved posts were ever fully occupied and the budget did not therefore cover the totality of posts. There was no intention, by means of that budgeting technicality, to impair the capacity of the organization; for example, it had been taken as a working assumption for the biennium 2000-2001 that there would be a vacancy rate of 2.5 per cent in the General Services category and of 5 per cent in the Professional category. That did not mean that any department or office was obliged to keep to those rates. It should be made clear that there had never been any intention to use the vacancy rate as a means of reducing the budget.

34. With respect to the publication of the budget, he explained that the document was initially printed in fascicles so that it could be readily considered by the Committee on Programme and Coordination and by the Advisory Committee on Administrative and Budgetary Questions. In that connection, it was gratifying that some delegations had expressed their appreciation at the timely submission of the proposed programme budget. Its publication in volumes coincided with that of the report of the Advisory Committee.

The meeting rose at 3.55 p.m.